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INTERGOVERNMENTAL NEGOTIATING COMMITTEE
FOR THE ELABORATION OF AN INTERNATIONAL
CONVENTION TO COMBAT DESERTIFICATION
IN THOSE COUNTRIES EXPERIENCING SERIOUS
DROUGHT AND/OR DESERTIFICATION,
PARTICULARLY IN AFRICA
Ninth session
New York 3-13 September 1996
Agenda item 2

DRAFT FINANCIAL RULES OF THE CONFERENCE OF THE PARTIES, ITS SUBSIDIARY BODIES AND THE PERMANENT SECRETARIAT

Note by the Secretariat

Attached, in accordance with INCD decision 8/4, is a revised version of the draft financial rules of the Conference of the Parties, its subsidiary bodies and the Permanent Secretariat.

96-20027

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RECOMMENDATION TO THE CONFERENCE OF THE PARTIES

Financial rules of the Conference of the Parties, its subsidiary bodies and the Permanent Secretariat

The Intergovernmental Negotiating Committee

Recalling its mandate to prepare for the first session of the Conference of the Parties pursuant to General Assembly resolution 49/234 of 23 December 1994,

Recommends that the Conference of the Parties adopt, at its first session, the following decision regarding the financial rules of the Conference of the Parties, its subsidiary bodies and the Permanent Secretariat:

Financial rules of the Conference of the Parties, its subsidiary bodies and the Permanent Secretariat

The Conference of the Parties,

Considering the provisions of the Convention, particularly article 22, subparagraph 2(e), which stipulates that the Conference of the Parties shall adopt, at its first session, financial rules for itself and any subsidiary bodies,

Having examined the recommendations of the Intergovernmental Governmental Negotiating Committee on the financial rules of the Conference of the Parties, its subsidiary bodies and the Permanent Secretariat,

Decides to adopt the financial rules attached to the present decision.

Financial Rules for the Conference of the Parties to the United Nations Convention to Combat Desertification in Those Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa, its subsidiary bodies and the Permanent Secretariat

Scope

1. The present rules shall govern the financial administration of the Conference of the Parties to the United Nations Convention to Combat Desertification in Those Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa, its subsidiary bodies and the Permanent Secretariat. In so far as not specifically provided by the present rules, the Financial Regulations and Rules of [the relevant institution][1] [the United Nations] shall apply [, unless the Conference of the Parties and [the head of the relevant institution][1] [the Secretary-General of the United Nations] otherwise agree].

Financial period

2. [Unless the Conference of the Parties decides otherwise,] the financial period shall be a biennium, of which the first calender year shall be an even-numbered year.

The budget

3. The head of the Permanent Secretariat shall prepare the budget estimates in [a convertible currency appropriate to the site of the Permanent Secretariat][2] [United States dollars] showing projected income and expenditures for each year of the biennium concerned. [For ease of reference, he or she shall also accompany the estimates with comparable indicative figures in United States dollars]. He or she shall dispatch the estimates to all Parties to the Convention at least 90 days before the opening of the session of the Conference of the Parties at which the budget is to be adopted.

4. The Conference of the Parties shall, [at an ordinary session] prior to the commencement of the financial period that the budget covers, consider the budget estimates and adopt a core budget authorizing expenditures other than those referred to in paragraphs 9 and 10. [Except in exception circumstances, this shall be done at an ordinary session.] [The Conference of the Parties may revise the approved core budget as necessary.]

5. Adoption of the core budget by the Conference of the Parties shall constitute authority to the head of the Permanent Secretariat to incur obligations and make payments for the purposes for which the appropriations were approved and up to the

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[1] Here and elsewhere, if this alternative were approved, the name of the relevant institution and the title of its head would be inserted once the institution is selected.

[2] Here and elsewhere, if this alternative were approved, the name of the appropriate convertible currency would be inserted once the site of the Permanent Secretariat is decided.

amounts so approved, provided always that, unless specifically authorized by the Conference of the Parties, commitments shall be covered by related income.

6. The head of the Permanent Secretariat may make transfers within each of the main appropriation lines of the approved core budget [in accordance with the financial rules and regulations of [the relevant institution] [the United Nations]]. He or she may also make transfers between such appropriation lines [up to limits which the Conference of the Parties may set from time to time] [up to the aggregate limit of 15 percent of the total estimated expenditures for those appropriation lines, provided that in the process no appropriation line is reduced by more than 25 percent] [in accordance with the same rules and regulations]. [For any transfers above the approved limits, the head of the Permanent Secretariat shall, during the period between sessions of the Conference of the Parties, seek the prior authorization of [the Bureau of the Conference of the Parties] [an organ of the Conference of the Parties designated by it].]

Funds

7. A General [Trust] Fund for the Convention shall be established by [the head of the relevant institution] [the Secretary-General of the United Nations] and managed by the head of the Permanent Secretariat. Contributions made pursuant to subparagraph 12(a), along with any additional contributions to offset core budget expenditures that are made, pursuant to subparagraphs 12(b) and 12(c), by the Government hosting the Permanent Secretariat and by [the relevant institution] [the United Nations] shall be credited to the General [Trust] Fund. All core budget expenditures made pursuant to paragraph 5 shall be charged to the General [Trust] Fund.

[8. There shall be established, within the General [Trust] Fund, a working capital reserve maintained [at a percentage of] [at the equivalent of one month's] core budget expenditures for a financial period as approved by the Conference of the Parties pursuant to paragraph 4. [That percentage shall, periodically, be set by the Conference of the Parties.] The purpose of the working capital reserve shall be to ensure continuity of operations in the event of a temporary shortfall of funds. Drawdowns from the working capital reserve shall be [minimized and] restored from contributions as soon as possible.]

9. A Supplementary Trust Fund shall be established by [the head of the relevant institution] [the Secretary-General of the United Nations] and managed by the head of the Permanent Secretariat. The Supplementary Trust Fund shall receive contributions pursuant to subparagraphs 12(b) and (c), other than those specified in paragraphs 7 and 10, including contributions earmarked, in accordance with paragraph 15, for:

(a) support to the participation of representatives of non-governmental organizations [from affected developing country Parties] [,particularly the least developed among them,] [as well of representatives of competent subregional organizations] in sessions of the Conference of the Parties;

(b) facilitation of assistance to affected developing countries in accordance with article 23, subparagraph 2(c) and article 26, paragraph 7, of the Convention; and

(c) other appropriate purposes consistent with the objectives of the Convention.

10. A Special Trust Fund shall be established by [the head of the relevant institution] [the Secretary-General of the United Nations] and managed by the head of the Permanent Secretariat. The Special Trust Fund shall receive contributions pursuant to subparagraphs 12(b)and(c) earmarked to support the participation of representatives of developing [,and in particular least developed] country Parties affected by desertification and/or drought, particularly those in Africa, in the sessions of the Conference of the Parties and its subsidiary bodies.

11. In the event, the Conference of the Parties decides to terminate a trust fund established pursuant to the present rules, it shall so advise [the head of the relevant institution] [the Secretary-General of the United Nations] at least six months before the date of termination so decided. The Conference of the Parties shall decide, in consultation with [the head of the relevant institution] [the Secretary-General of the United Nations], on the distribution of any uncommitted balances after all liquidation expenses have been met.

Contributions

12. The resources of the Conference of the Parties shall comprise:

(a) annual [voluntary] contributions made by Parties to the Convention [based on] [paying due regard to] the [indicative] scale set forth in the appendix to the budget;

(b) other contributions made by Parties in addition to those made pursuant to subparagraph(a);

(c) contributions from States not Parties to the Convention, as well as governmental, intergovernmental and non-governmental organizations, and other sources;

(d) the uncommitted balance of appropriations from previous financial periods attributed to the trust fund concerned; and

(e) miscellaneous income attributed to the trust fund concerned.

13. The Conference of the Parties shall determine the [indicative] scale of contributions referred to in subparagraph 12(a). The scale shall be based on the United Nations scale of assessment as may be adopted from time to time by the General Assembly, with adjustments to:

(a) take account of contributions of Parties which are not members of the United Nations, as well as those of regional economic integration organizations that are Parties; and

(b) provide [that no Party shall contribute less than 0.01 per cent of the total,] [that Parties which would otherwise contribute less than 0.01 percent of the total shall be exempt from contributing] that no one contribution shall exceed [25] [30] per cent of the total, and that no contribution from a least developed country shall exceed 0.01 per cent of the total.

14. In respect of contributions made pursuant to subparagraph 12(a):

(a) contributions for each calender year [shall be due] [are expected] on or before January 1 of that year; and

(b) each Party shall, as far in advance as possible of the date due for the contribution, inform the head of the Permanent Secretariat of the contribution it intends to make and of the projected timing of that contribution.

15. Contributions made pursuant to subparagraphs 12 [(a),](b)and(c) shall be used [for special purposes] in accordance with such terms and conditions, consistent with the objectives of the Convention, as may be agreed between the head of the Permanent Secretariat and the contributor. Contributions to the Supplementary Trust Fund referred to in paragraph 9 shall, as appropriate, be placed in sub-accounts.

16. Contributions made pursuant to subparagraph 12(a) from States and regional economic integration organizations that become Parties to the Convention after the beginning of a financial period shall be made *pro rata temporis* for the balance of that financial period. Consequent adjustments shall be made at the end of each financial period for other Parties.

17. All contributions shall be paid in [a convertible currency appropriate to the site of the Permanent Secretariat] [United States dollars] or its equivalent in a convertible currency into a bank account to be designated by [the head of the relevant institution] [the Secretary-General of the United Nations], in consultation with the head of the Permanent Secretariat [, to be invested as indicated in paragraph 19]. [The amount of any payment shall be equal, at least, to the amount payable in [a convertible currency appropriate to the site of the Permanent Secretariat] [United States dollars] on the day the contribution is made.]

18. The head of the Permanent Secretariat, or [the head of the relevant institution] [the Secretary-General of the United Nations] shall acknowledge promptly all pledges and contributions and shall inform the Parties, once a year, of the status of pledges and payments of contributions.

19. Contributions not immediately required shall be invested at the discretion of [the head of the relevant institution] [the Secretary-General of the United Nations], in consultation with the head of the Permanent Secretariat. The resulting income shall be credited to the appropriate trust fund or funds referred to in paragraphs 7, 9 and 10.

Accounts and audit

20. The accounts and financial management of all trust funds governed by the present rules shall be subject to the internal and external audit process of [the relevant institution] [the United Nations].

21. During the second year of the financial period [the relevant institution] [the United Nations] shall provide the Parties with an interim statement of accounts for the first year of the financial period. [The relevant institution] [The United Nations] shall also, as soon as practicable, provide to the Parties a final audited statement of accounts for the full financial period.

Administrative support costs

22. The Conference of the Parties, under such terms as may from time to time be mutually agreed upon between it and [the relevant institution] [the United Nations], shall reimburse [the relevant institution] [the United Nations] from the trust funds referred to in paragraphs 7, 9 and 10, as the case may be for the purposes of services rendered, including the administration of the relevant trust fund by [the relevant institution] [the United Nations], to the Conference of the Parties, its subsidiary bodies and the Permanent Secretariat.

Decision procedures

23. Decisions of the Conference of the Parties pursuant to paragraphs [1,] 4, [, 6] [, 8] and 13 shall be adopted [by consensus] [by consensus whenever possible, and in the absence of consensus, as a last resort, by a two-thirds majority of the Parties present and voting at the session].

Amendments

24. Any amendment to the present rules shall be adopted by the Conference of the Parties by consensus.